



DOF 2014

STRATEGIC PLAN



Core Foundation

- Recognizing that forest resource benefits are dependent on land protected and retained in forest, forestland conservation is paramount and serves as the agency core foundation.



VA's Forest Resources will:

- Be protected from damaging fire, theft, insects, pathogens, and weeds, including invasive species:
- Be diverse in age, species, location, pattern and size;
- Provide extensive cover in all 14 river basins;
- Include unique and fragile habitats;
- Be available for use and enjoyment of all;
- Contribute to the state's financial diversity and provide economic vitality to the rural communities



DOF Strategic Goals:

- Protect the citizens, their property and the forest resources from wildfire – *Mandated*
- Protect, promote and enhance forested watersheds, non-tidal wetlands, and riparian areas.
- Conserve the forestland base.



Our reasoning.....

Everything we do on the land effects the quality of water in our rivers and streams. We need water to drink, to keep clean, for recreation, transportation, fishing, and to produce goods and energy.

Trying to prevent pollution from running off land that drains into a waterway is what watershed management is all about!



A healthy forest watershed (in contrast to other land uses) provides:

- ✓ higher quantity of water yields than non-forest;
- ✓ discharges the highest quality of water;
- ✓ discharges lower stormflow peaks and volumes for a given input of rainfall
- ✓ provides the greatest soil stability and the lowest levels of soil mass movement, gully erosion and surface erosion;
- ✓ exports the lowest levels of sediment downstream



The loss of forest cover and conversion to other land uses can adversely affect freshwater supplies and compound disasters resulting from hydro-meteorological extremes. Watershed conditions and water management can be improved if forests are managed with hydrological objectives in mind.

While not a panacea for resolving water issues, forests provide tangible social, economic and environmental benefits.



What and How Can We Conserve Forestland?

What we already have:

- Forest Riparian Buffer Tax Credit
- Forest Legacy (Easements in perpetuity)
- Various state & federal cost share programs
- Ag/Forestal Districts in some areas

What we need:

- PDRs (Purchase of Development Rights) – State funding.
- Compensation to NIPF for non-income resources such as quality water, Viewshed, cleaner air and carbon sequestration.
- Conservation Agreements not in perpetuity, but long term.



State funded PDRs

Momentum might be building in the Virginia General Assembly toward finding a dedicated state funding source for local purchase-of-development-rights programs.

Currently, six Virginia localities – Albemarle County, Clark County, Fauquier County, James City County and Loudon County and city of Virginia Beach – have purchase-of-development-rights programs, through which property owners are compensated monetarily for agreeing to give up development rights on their parcels in perpetuity, in place.

PDR programs are very expensive and would be more attractive if the state would contribute funding to localities.



EXAMPLE

Consider a piece of land that is generating a net income of \$100 per acre in agriculture. To obtain a fair market value, income capitalization is used to obtain a fair market value, income capitalization is used whereby income flow is divided by the interest rate, say 5% . This yields a value of \$2,000 per acre.

Suppose a developer would be willing to pay \$5,000 per acre to building a commercial building with a paved parking lot. This implies that the development value of the of the land would be \$3,000 per acre.

At this differential it is very unlikely that the parcel will remain under its' current use and dedicated to remaining in agriculture. However, if PDR programs makes an offer of \$3,000 an acre to the landowner, then that landowner has the opportunity to realize the economic benefits accrued from the development potential of the land, while having the ability to keep the land as as agricultural.



Compensation of NIPF for other values - Issue

- Over 14 million acres of forestland in Virginia is owned by private landowners which approximates 66% of the forestland base.
- These forestlands provide clean water, clean air, carbon sinks for the high concentration found in air and beautiful views for all to live, travel and enjoy in Virginia.
- Private forest landowners usually receive no annual income from owning forestland. They normally will only receive income once during a single owner lifetime.
- Currently, there is no method to calculate the benefits of these commodities and there is no program in place for compensation.



Ideas for compensation to NIPF landowners:

- ❖ Vehicle emissions tax ...
- ❖ Percentage of payment from discharge permits from various industry to NIPF landowners...
- ❖ Water use fee for water treatment returned to owners in the watershed...
- ❖ Reform or eliminate the Estate tax for private forestland estates...
- ❖ Establish business entities for multiple – owner forest management...
- ❖ Carbon trading - landowners could sell credits to power plants and other industry that are green house gas polluters.



CARBON TRADING

The demand for this is driven by our overall concern for global warming caused by the build-up of greenhouse gases in the atmosphere. Supply is motivated by those who are seeking additional income for the ecosystem services supplied by their forests.

Forest carbon trading has been somewhat a controversial field because it could reduce land use options and slow development.



Carbon Trading – cont.

With the adoption of appropriate strategies, the development of markets for forest carbon can have multiple benefits while addressing these concerns.



Long Term/Conservation Agreements

- Generate financial support from various interest (value) groups & establish a company or let an agency administer funding from group to private landowners. The amount of payment and timing of payment would be bid by the landowner and then accepted. A matrix of pay would be needed and developed for this purpose.
- A type of trust fund would be set up for the interest groups to pay into.
- Additionally some seed money would be needed by through legislation to get this off the ground.



In conclusion:

- We have got to stop forestland loss and fragmentation for the health and welfare of our society and benefit of all included.
- The knowledge, resource and ability are out for us. We just have to provide the commitment and support those opportunities as they arise
- I will end with some of my personal thoughts for you to ponder:
 - THE DAYS IN WHICH CLEAN AIR AND WATER IS FREE COULD VERY WELL BE NUMBERED!
 - ONCE A FOREST IS DEVELOPED INTO A PARKING LOT IT IS DOUBTFUL IT WILL EVER RETURN AS SUCH, AT LEAST I HAVE NEVER SEEN THIS IN MY LIFETIME.

HAVE YOU!